



Department of Justice

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AT
(202) 616-2771
TDD (202) 514-1888

JUSTICE DEPARTMENT WILL NOT CHALLENGE PROPOSAL TO FORM A PHYSICIANS GROUP TO PROVIDE MEDICAL SERVICES IN CONNECTICUT

WASHINGTON, D.C. -- The Department of Justice today said that it will not challenge a proposal from a group of Connecticut medical practices to form a financially integrated group of physicians to negotiate and enter into contracts with managed care payers in the New Haven, Connecticut area. The group, to be called the Primary and Specialist Medical Center, will consist of medical practices of various sizes and specialties in the New Haven area and will represent its members on an exclusive basis.

The Department said that the group is unlikely to create market power that would lead to competitive harm to consumers, and that there is a strong possibility that consumers will benefit from the group's proposed operations.

The Department said that the proposal meets the antitrust safety zone for exclusive physician network joint ventures under the Statements of Enforcement Policy and Analytical Principles Relating to Health Care and Antitrust, issued by the Department and the Federal Trade Commission in September 1994.

To satisfy the safety zone, a physician joint venture must share substantial financial risk and comprise 20 percent or fewer of the physicians in each physician specialty who practice in the relevant geographic market. This proposal meets that standard.

The Department's position was stated in a business review letter from Anne K. Bingaman, Assistant Attorney General in charge of the Department's Antitrust Division, to counsel for the group.

Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Legal Procedure Unit of the Antitrust Division, Suite 215 North, Liberty Place, 325 7th Street N.W., Department of Justice, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file.

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